



Peter R. Tice
Direct Line - (905) 572-5822
E-Mail Address - ptice@rossmcbride.com

April 30th, 2012

Via e-mail & Courier

City of Windsor
Grace Hospital Site
339 Crawford Avenue
Windsor, Ontario
N9A 5C6

Attention: George Wilkki
City Solicitor

Dear Sirs:

**Re: Grace Hospital Site – 339 Crawford Avenue
Property Tax Arrears and Other Proceedings**

Please be advised that we act for Westpark Developments Inc., a mortgagee with a registered mortgage on title to the Grace Hospital property. Our client has been in active discussions with the City of Windsor, the Provincial Ministry of Labour and others in order to remediate this site and to make it available for future redevelopment.

The various proceedings have been somewhat controversial and the municipality has, from time to time, been required to consider this matter, both in formal Council proceedings and in less formal meetings and correspondence with our client and with other third parties.

For your reference purposes I enclose a copy of our previous letter, dated February 1st, 2012, and addressed to Ms. Helga Reidal, the Chief Administrative Officer for the municipality, along with copies of the Final Notice that our client has just received relating to property tax arrears for the premises.

As you know, the Municipal Act in section 378 permits a possible Extension Agreement in order to extend the period of time during which the cancellation price may be paid for property tax arrears. On behalf of our client we are hereby requesting that such an Extension Agreement be considered, and be approved by by-law, given the unique circumstances relating to this property.

In consideration of receiving such an extension, which we would propose to be for a one-year period, ending on June 30, 2013, our client is prepared to do the following:

1. To make an immediate payment of \$250,000.00 towards the property tax arrears, with an additional payment of a further \$250,000.00 to be made on or before December 31, 2012.
2. To immediately formally list the property for sale, with a realtor, and to actively continue with the discussions that our client has initiated with three (3) current prospective purchasers, in an attempt to sell the property and to have same fully remediated as part of a redevelopment of the site. It has been difficult for our client to undertake such discussions at the present time because the time frames for the Cancellation Certificate make it difficult for any prospective purchaser to undertake and complete the appropriate due diligence that would be required prior to completing a transaction.
3. As you may know, our client has undertaken an environmental report as required by the Provincial Ministry of Labour and it is our understanding that such report will be issued in the very near future. Our client is prepared to share such report with the City, and to comply with all of the requirements and/or orders of the Ministry of Labour in this regard. We can confirm that all field work and laboratory work has been completed in order to finalize the report and it is our client's understanding, as well, that the exterior air monitoring tests confirm that there is no discharge of asbestos into the atmosphere.
4. Our client is prepared to forthwith secure the building, boarding up the ground floor as required by the municipality and to clean up all debris on the site.

We would respectfully submit that the extension of time, and the proposal by our client as described above, will lead to a successful resolution of all concerns regarding the current state of the property and its prospects for redevelopment. Many concerns have been expressed as to the current state of the property and our client has expended significant time and financial resources in an effort to manage the property at present, having regard to both the requirements of the various provincial ministries that have been involved and the requirements of the municipality. The proposal above, in our respectful submission, will lead to the most appropriate redevelopment of the property, at the least cost and risk for the municipality.

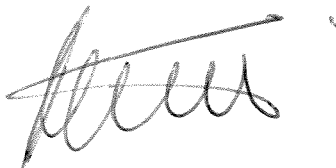
We understand that it is necessary for City Council to pass a by-law prior to the expiry of the one-year period in order to give effect to the Extension Agreement and we would be pleased to work with you, as quickly as possible, to settle upon the text for such agreement in order that it may be considered by Council.

We would request your response to this proposal as quickly at your earliest convenience and we appreciate your anticipated assistance and cooperation herein.

Yours very truly,

ROSS & McBRIDE LLP

Per:



Peter R. Tice

PRT:ec
Encl.



Peter R. Tice
Direct Line - (905) 572-5822
E-Mail Address - ptice@rossmcbride.com

February 1, 2012

Sent via e-mail

The Corporation of the City of Windsor,
350 City Hall Square West,
Windsor, Ontario
N9A 6S1

Attention: Ms. Helga Reidel, CAO

Dear Sirs:

**Re: Westpark Developments Inc. Mortgage Loan to
2051276 Ontario Inc. (Vozza) – Development of Grace Hospital Property**

We are the lawyers for Westpark Developments Inc., a mortgagee with a registered mortgage on title to the Grace Hospital property.

Yesterday our client received a copy of a letter from Ms. Lee Anne Doyle, the Chief Building Official for the City, addressed to Mr. Lou Vozza stating that the City of Windsor is not satisfied with the progress of the work as ordered to be completed and that the City will be stepping in to complete the work and/or demolish the building.

You are aware, from prior discussions and correspondence, that our client, as first mortgagee, has been assisting with endeavours related to the property since just after January 1, 2012. We believe that our client has been acting in good faith and co-operatively with all agencies and the City, showing through its actions that all municipal and provincial orders will be complied with.

The City has been on site on a regular basis to inspect the work, as has the Ministry of the Environment and the Ministry of Labour. We understand that Mr. Tony Battaglia, our client's principal, has been advised by Dr. Carole Henri, our client's environmental consultant, that all agencies have told her that they are satisfied with the method and thoroughness of the work done to date.

Our client is deeply concerned and dismayed over the City's decision since the work has



been progressing on a daily basis, seven days a week and, therefore, has manifested an intention that all orders will be complied with.

Moreover, when the City decided in December to hold in abeyance the necessity to comply with the City's work order until January 30, 2012, the City was also advised that this would not be enough time to complete the work due to various conditions. We understand that those conditions included the holiday season, inclement weather and the possible presence of asbestos which affected the method of work and therefore the time to complete the remediation process. In fact, the Ministry of the Environment has given until April 30th 2012, to comply with its order because of these circumstances.

In early January, Mr. Battaglia spoke with Ms. Doyle and the City Solicitor and advised them at that time that it was our client's intention to complete the work by January 30, 2012, but he could not be certain if this would be possible.

Due to winter weather conditions and the need to do air monitoring as ordered by the Ministry of the Environment, it is our view that the works have been proceeding well under the circumstances. We therefore believe that the City is acting prematurely in reaching this decision to step in and complete the work or to undertake demolition work.

You are also aware that our client is taking these steps to ensure that, when possession of the property is taken, it will be taken in a condition that would increase the property's value for a sale and to realize on its security and mitigate any losses to the creditors.

Moreover, our client is also of the view that it is in the community's long-term interest to have the remediation conducted privately, without the expenditure of unnecessary public funds, with a view to the best interests of the City in mind.

Based on this threatened action to be taken by the City, should we not hear otherwise from you today, our client will have no choice but to stop all work on the site and our client would be of the view that the City is, at that point, taking all responsibility and liability for the property. Should the City undertake to complete the work, it is important that the City understand that there are Provincial orders that must be complied with.

Further, should the City take any steps to demolish the structures on the property, there may be significant consequences. We understand that the cost of demolition may well exceed the residual value of the property and so, if it undertakes this demolition work, the City may be expending significant public dollars needlessly. There may also be compensation due to our client for the work that it has already undertaken, with the knowledge and implied consent of the City, as part of the site remediation. We also understand that there are suggestions that this approach by the City may be based upon an effort to obtain the site so that it can accommodate another preferred purchaser. Therefore such demolition work may be an

indirect attempt at expropriation without proper compensation being paid. In the event that demolition is to proceed, our client would be compelled to consider all of its remedies.

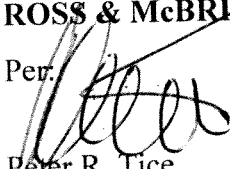
We would respectfully submit that the most effective solution for the site, for the benefit of the City, is to allow our client to continue with its remediation efforts. If the City believes it can undertake such remediation more effectively than our client can do so, our client can enter into discussions accordingly. However any effort to undertake demolition is ill-advised in our respectful view and could be prejudicial to our client. Less public funds are expended and the various work orders of the City and the Province will be addressed accordingly if demolition is not undertaken.

Please advise us of your intentions forthwith.

Yours very truly,

ROSS & McBRIDE LLP

Per:


Peter R. Tice

Cc: Westpark Developments Inc. (via e-mail)
: Ms. Lee Anne Doyle (via e-mail)

FINAL NOTICE
THE CORPORATION OF THE CITY OF WINDSOR

To: WESTPARK DEVELOPMENTS INC.

Address: 75 LANCING DRIVE, UNIT 1A
HAMILTON, ON L8W 2Z9

Property Description: Part Lots 62 to 70 PL 71, Part Lots 291, 292 & 299, Lots 300 to 312, PL 392, Part Alley P1 392 (closed by R804758, R663305, WW46272, WW46467),

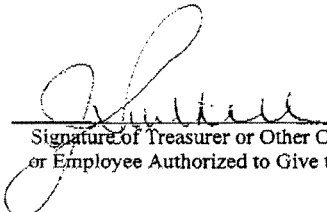
Part Lot 75 Con 1 Designated as Parts 11-15 PL 12R23501; Windsor S/T Ease as in CE362186

CITY OF WINDSOR, COUNTY OF ESSEX 339 CRAWFORD AVENUE

1. You are hereby notified, as a person to whom a notice of registration of a tax arrears certificate against the land described above was sent that the cancellation price remains unpaid and that there is no subsisting extension agreement.
2. The land will be advertised for public sale unless the cancellation price is paid or an extension agreement is arranged before the 30th day of JUNE 2012 between the municipality (or board) and the owner of the land, the spouse of the owner, a mortgagee or a tenant in occupation of the land.
3. The treasurer has no obligation to inquire into or form any opinion of the value of the land before conducting a sale under the *Municipal Act*, 2001 and the treasurer is not under any duty to obtain the highest or best price for the land.
4. Any inquiry regarding this notice may be directed to:

Mary Lou McCullough-Malboeuf
Tax Registration Clerk
Corporate Services Department
Corporation of the City of Windsor
P.O. Box 1607
Windsor, Ontario N9A 6S1
(519) 255-6100 ext. 6364

Dated at Windsor this 11 day of April, 20 12


Signature of Treasurer or Other Officer
or Employee Authorized to Give this Notice

Janice Guthrie, CA, Deputy Treasurer - Taxation & Financial Projects
Title

Personal Information contained on this form collected pursuant to the *Municipal Act*, 2001 will be used for the purposes of the Act. Questions should be directed to the Freedom of Information and Privacy Coordinator at the institution responsible for the procedures under the Act.

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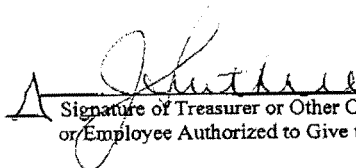
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